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FACILITIES AND PROPERTY COMMITTEE
Wednesday, March 20, 2002

The Facilities and Property Committee met on Wednesday, March 20, 2002, at 11:30 a.m. in the Auditorium of the State Office Building, 150 Third Street, Baton Rouge, Louisiana. Chairman Robinson called the meeting to order. The roll was called and a quorum was established.

Committee Members Present

Virgil Robinson, Chair
Frances Henry
Robert Levy
William Oliver
Clifford Smith
Pat Strong
Richard Caiton, Jr.
Winfred Sibille
Dianne Christopher

Committee Members Absent

Ron Roberts, Vice Chair
Reggie Dupré
C. Stewart Slack

Other Board Members Present

Richard D'Aquin
William Blake
Scott Brame
Artis Terrell, Jr.
Roland Toups
Steve Johnson

Staff Members Present

E. Joseph Savoie
Marvin Roubique
Rich Griswold
Carolyn Blanchard

Guests

Appendix A

SMALL CAPITAL PROJECTS APPROVAL REPORT

Mr. Marvin Roubique, Deputy Commissioner for Finance and Facilities, reported that staff had approved seven small capital projects costing less than \$350,000 since the previous report in February. After discussion, the Committee took the following action:

On motion of Regent Henry, seconded by Supervisor Caiton, the Facilities and Property Committee recommended that the small capital projects report be accepted as presented by staff.

ALTERNATIVE FINANCING DOCUMENTATION FOR SOUTH LOUISIANA COMMUNITY COLLEGE

Mr. Roubique reminded the Committee that the Board had given approval to the Louisiana Community and Technical College System (LCTCS) to seek authority from the Bond Commission to fund construction of a campus for South Louisiana Community College (SLCC). At that time it was stipulated that the LCTCS submit the cooperative endeavor agreement, the ground lease, the agreement to lease with option to purchase, and the business plan for final approval. Ms. Jan Jackson, Vice President for Finance for Louisiana Community and Technical College System, along with representatives from South Louisiana Community College and Foley-Judell, L.L.P. presented an overview of the business plan, cooperative endeavor agreement, agreement to lease with option to purchase, and the ground lease for South Louisiana Community College.

After discussion, the Committee took the following action:

On motion of Regent Strong, seconded by Regent Smith, the Facilities and Property Committee recommended that the Board of Regents approve the cooperative endeavor agreement, the agreement to lease with option to purchase, the business plan, and the ground lease for the development of the South Louisiana Community College campus.

AMENDMENTS TO FY 2002-2003 CAPITAL OUTLAY BUDGET RECOMMENDATION

The staff presented a request from the Louisiana State University System on behalf of the University of New Orleans (UNO) to amend the FY 2002-2003 Capital Outlay Recommendation. UNO submitted a request to replace hot water piping on an emergency basis to the Board of Regents and to the Interim Emergency Board for \$2,135,000. The project involves the possibility of underground hot water piping breaking and potentially causing injury to individuals, damage to connected equipment, and the potential for partial campus closure. The request was approved using the emergency procedures as outlined in the Board of Regents' Facilities Policy. The Interim Emergency Board approved \$1,700,000 for the project. However, the project must receive at least two-thirds vote of the House and the Senate before any funding is authorized. If the institution is not successful in obtaining the funding from the IEB, this amendment will provide the funding necessary to address the emergency needs. The institution is considering alternative financing to address the remaining problems with the Hot Water Piping System.

After discussion, the Committee took the following action:

On motion of Regent Strong, seconded by Regent Oliver, the Facilities and Property Committee unanimously recommended that the Board of Regents amend its FY 2002-03 Capital Outlay Recommendation to include \$1,700,000 in the Emergency Category for the replacement of hot water piping at the University of New Orleans.

Next, Mr. Roubique reviewed with the Committee the list of projects included in the Supplemental Category. He reminded the Committee that the Supplemental list was included because the Bond Commission had not provided lines of credit on many projects prior to the November 1st deadline for submitting the Capital Outlay Recommendation. The list of projects was created to enable pending projects to be moved into the New Project Category if anticipated

lines of credits materialized. Projects for postsecondary education institutions totaling \$94.2 million have received lines of credit or bonds using alternative means of financing. The Supplemental Category list includes 13 projects with a total estimated cost of \$77.2 million. The amount required for FY 2002-2003 is \$15.6 million. The Facilities and Property Committee took the following action:

On motion of Regent Henry, seconded by Regent Strong, the Facilities and Property Committee recommended that the Board of Regents amend its FY 2002-2003 Capital Outlay Recommendation to move projects from the Supplemental Category into the New Projects Category in the same priority ranking. The funding recommended for FY 2002-2003 is \$15,550,519 with a total estimated cost of \$77,238,461.

The staff presented a request from LSU to include in the Self-Generated Category a project for Life Sciences Building renovations. A federal grant of \$1,902,544 was obtained and will be matched from indirect cost reimbursements on federal grants to permit 11,229 GSF on the sixth floor to be renovated for Chemistry and Biomedical research.

On motion of Regent Henry, seconded by Regent Strong, the Facilities and Property Committee recommended that the Board of Regents amend its FY 2002-2003 Capital Outlay Recommendation to include the Life Sciences project for LSU A&M in the amount of \$3,805,088 in the Self-Generated Category as priority #17.

At 12:10 p.m. Chair Robinson recessed the Facilities and Property Committee before discussing the LSU Co-generation project due to a late arrival of Mr. Ned Givens, an out-of-state consultant for the Board of Regents on this project. The Committee reconvened at 2:15 p.m.

LSU CO-GENERATION PROJECT

Mr. Roubique provided an Executive Summary on the project to the Committee. He indicated that the Board of Regents reviews these project proposals for the purpose of:

Supervisors address the issues raised in the Executive Summary and the Consultant's report.

OTHER BUSINESS

Dr. E. Joseph Savoie, Commissioner for Higher Education, discussed the Board's Facilities Policy as it relates to funding projects using alternative means of financing. He indicated the need to review the policy to ensure the integrity of the process. Dr. Savoie requested that he be given the authority to form a task force to review the current policy and make recommendations for changes that would include a set of procedures to be followed when requesting a project using alternative means of financing. He indicated that the task force would likely include Board members, facilities and finance staff from systems and institutions, Division of Administration Facilities Planning, State Fiscal Office and other appropriate personnel.

The Committee, by consent, authorized the Commissioner to form the task force.

ADJOURNMENT

There being no further business, the Committee adjourned at 3:20 p.m.

APPENDIX A

Facilities and Property

Guest List

March 20, 2002

<u>NAME</u>	<u>AFFILIATION</u>
Jerry Pinsel	LCTCS
Angel Royal	LCTCS
Shanna Estay Little	SU System
Tolor White	SU System
Martin Fortner	SUNO
R.M. Prestridge	LSU HSC- S
Robert Earl Turner	U of L at Monroe
Ray L. Belton	SU-S
Emmanuel Igbokwe	SU-S
Scott Dyer	Advocate
Norma Grace	UNO
Shawn M. Lewis	UNO
Jim Howell	LSU System
Herbert Fisher	SUNO
Mark Legendre	LSU AG Center
Dr. Leo Guedry	LSU AG Center
W.F. Wilkes	LSU Law Center
Leo C. Hamilton	Atty. for LCTCS
Dennis R. McSeveney	UNO
Ray Sweany	AIFS/UNO
J.R. Porter	LSU HSC
Joe Ben Welch	RPCC
Tom Williams	BPCC
Jerry Drewett	La Tech
Bob Hebert	MSU
Jeanne Daboval	MSU
Lee Bressler	Morgan Keegan
Stephen Smith	SLU
Tom Burns	Northwestern
Joe Kelley	LSU
Pat Gibbs	UNO
Peter Davidson	LSU A&M